

IN THE MATTER OF  
Public Hearing

AFFIDAVIT OF PUBLICATION

STATE OF HAWAII

City and County of Honolulu

Doc. Date: September 16, 2008 # Pages: 1  
Notary Name: Patricia K. Reese First Judicial Circuit  
Doc. Description: Affidavit of Publication

*Patricia K. Reese* 09/16/08  
Notary Signature Date  
NOTARY PUBLIC  
Comm. No. 88-447  
STATE OF HAWAII

Bus. Mfg. Rosales being duly sworn, deposes and says that she is a clerk, duly authorized to execute this affidavit of MidWeek Printing, Inc. publisher of MidWeek and the Honolulu Star-Bulletin, that said newspapers are newspapers of general circulation in the State of Hawaii, and that the attached notice is true notice as was published in the aforementioned newspapers as follows:

Honolulu Star-Bulletin 4 times on:  
08/28, 09/04, 09/11, 09/16/2008

Midweek Wed. 0 times on:

Midweek Fri. 0 times on:

\_\_\_\_\_ times on:

And that affiant is not a party to or in any way interested in the above entitled matter.

*Rosales*  
Rose Mfg Rosales

Subscribed to and sworn before me this 16th day

of September A.D. 2008

*Patricia K. Reese*  
Patricia K. Reese, Notary Public of the First Judicial Circuit, State of Hawaii  
My Commission expires: October 07, 2010

Ad # 0000062504



NOTICE OF PUBLIC HEARING  
IN THE MATTER OF THE APPLICATION OF HAWAIIAN ELECTRIC COMPANY, INC. FOR APPROVAL OF RATE INCREASES AND REVISED RATE SCHEDULES AND RULES

DOCKET NO. 2008-0083  
NOTICE IS HEREBY GIVEN that pursuant to chapters 91 and 209, Hawaii Revised Statutes, the STATE OF HAWAII PUBLIC UTILITIES COMMISSION ("Commission") will hold a public hearing relating to the application of HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), filed on July 3, 2008, for approval of general rate increases and revised rate schedules and rules ("Application"). The public hearing will be held as follows:

Date: Thursday, September 18, 2008  
Time: 8:30 p.m.  
Location: Public Utilities Commission Hearing Room (Room 9-3) 405 South King Street Honolulu, HI 96813

HECO is a franchised public utility engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Oahu. HECO seeks Commission approval of a general rate increase of approximately \$97,011,000, or 5.2%, over revenues at current effective rates. Revenues at current effective rates include revenues from the interim rate increase approved by the Commission on June 20, 2008 in its Order Granting HECO's Motion to Adjust Interim Increase Filed on May 21, 2008 in HECO's 2007 last year rate case (Docket No. 2006-0385). If revenues from the interim rate increase are excluded, the requested relief over revenues at present rates is estimated to be \$174,348,000. The requested increase is based on estimated total revenue requirements of \$1,064,401,000 for the normalized 2009 last year, based on 2008 fuel oil and purchased energy prices, and an 8.81% rate of return on HECO's rate base, including the full cost of use Campbell Industrial Park ("CIP") Combustion Turbine Unit 1 ("CT1").

HECO states that it filed this request for a general rate increase due to investment in additional plant and equipment, additional operating and maintenance costs to maintain HECO's system, and increasing costs for labor (including wage increases pursuant to HECO's bargaining unit contract), materials, contract services, depreciation, and other operating expenses. Without further rate relief in this proceeding, HECO estimates that its rate of return on its average rate base (including the full cost of CIP CT1) at current effective rates will be 4.97% for the normalized 2009 last year, as compared to the 8.8% rate of return that the Commission authorized in Docket No. 04-0113 for last year 2005. In addition, HECO estimates that, if revenues from the interim increase in Docket No. 2006-0385 are not considered, HECO's rate of return on its average rate base (including the full cost of CIP CT1) will be 1.92% for the normalized 2009 last year.

HECO requests a revenue increase in three steps to more closely match cost recovery with cost incurrence:

Step	Step Description	Amount (in \$'000)	Effective Date
1.	Interim Increase	\$73,064	On or before May 3, 2009
2.	CIP CT-1 Step Increase	\$23,047	At the in service date of CIP CT-1 (scheduled for July 31, 2008)
3.	Final Increase	Balance	Final Decision and Order issued by the Commission
	Total Rate Increase	\$97,011	

The proposed rate increases over current effective rates (which include the interim rate increase surcharges currently in effect) by rate classes for the 2009 normalized last year, in dollar amounts and by percentage, are as follows:

Rate Class	At Current Effective Rates (in \$'000)	At Proposed With CIP Step (in \$'000)	Amount (in \$'000)	Percent (%)
Schedule R	\$560,821.8	\$590,002.7	\$29,178.6	5.20%
Schedule O	\$111,272.7	\$117,062.0	\$5,789.3	5.20%
Schedule J	\$509,789.6	\$536,291.9	\$26,502.3	5.20%
Schedule P	\$413,748.2	\$435,272.8	\$21,524.6	5.20%
Schedule DS	\$257,193.5	\$270,532.7	\$13,339.2	5.20%
Schedule F	\$9,621.7	\$10,017.1	\$395.4	5.20%
Total Sales Revenues	\$1,662,287.6	\$1,699,179.0	\$36,891.4	5.20%
Other Operating Revenues	\$5,102.0	\$5,222.0	\$120.0	2.35%
Total Revenues	\$1,667,389.6	\$1,704,401.0	\$37,011.4	5.20%

The proposed rate increases over present rates (which include the interim rate increase surcharges) by rate classes for the normalized 2009 last year, in dollar amounts and by percentage, are as follows:

Rate Class	At Current Effective Rates (in \$'000)	At Proposed With CIP Step (in \$'000)	Amount (in \$'000)	Percent (%)
Schedule R	\$533,870.9	\$590,002.7	\$56,131.8	10.58%
Schedule O	\$105,816.6	\$117,062.0	\$11,245.4	10.63%
Schedule J	\$489,818.9	\$536,291.9	\$46,473.0	9.53%
Schedule P	\$393,859.3	\$435,272.8	\$41,413.5	10.49%
Schedule DS	\$252,691.2	\$270,532.7	\$17,841.5	6.93%
Schedule F	\$8,062.3	\$10,017.1	\$1,954.8	10.54%
Total Sales Revenues	\$1,785,018.9	\$1,959,179.0	\$174,160.1	9.76%
Other Operating Revenues	\$5,034.0	\$5,222.0	\$188.0	3.73%
Total Revenues	\$1,790,052.9	\$1,964,401.0	\$174,348.1	9.74%

The proposed increases reflect the savings proposed increases for each schedule of service. The increase experienced by a particular customer will depend on the customer's schedule of service, and other factors, such as the customer's energy use and the customer's billing demand (where applicable).

The Commission will determine whether the proposed revenue increase, changes in rate schedules and rules, and other matters requested or proposed by HECO, are just and reasonable. The Commission will hold an evidentiary hearing sometime after the conclusion of the public hearing unless HECO and the applicable parties in this docket, at their option and upon the Commission's approval, waive the evidentiary hearing. The total revenue increases for the 2009 last year will not exceed the \$174,348,000 over revenues at present rates requested in the Application, but the rates and charges to be finally approved by the Commission after its investigation may be higher or lower than the proposed rates and charges for the various rate schedules of service.

All interested persons are urged to attend the public hearing to state their views, orally, in writing, or both. Written statements may be submitted prior to or at the public hearing. Statements may be mailed to the Public Utilities Commission, 405 South King Street, Room 103, Honolulu, Hawaii, 96813. Statements may also be sent by electronic mail to the Commission's e-mail address at [Hawaii.PUC@hawaii.gov](mailto:Hawaii.PUC@hawaii.gov).  
Parties to the proceeding shall comply with Subchapter 4, Rule 11 of Practice and Procedure before the Public Utilities Commission, Hawaii Administrative Rules, Title 9, Chapter 81. A motion to intervene or participate in this proceeding shall be filed with the Commission by September 29, 2008.  
Copies of the Application and supporting documents are available for public inspection during regular business hours at the following locations:

- PUBLIC UTILITIES COMMISSION  
405 South King Street, #103  
Honolulu, HI 96813  
Phone: (808) 586-2020
- DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
935 Merchants Street, #220  
Honolulu, HI 96813  
Phone: (808) 586-2800
- HAWAIIAN ELECTRIC COMPANY, INC.  
Customer Service Dept.  
820 West Avenue  
Honolulu, HI 96814
- HAWAIIAN ELECTRIC COMPANY, INC.  
1800 Richards Street  
Honolulu, HI 96813  
Phone: (808) 543-5670

Special accommodations for persons with disabilities can be made if requested reasonably in advance by contacting the Commission's Honolulu office.  
*Carlo P. Calocosa*  
Carlo P. Calocosa  
Chairman  
Honolulu Star-Bulletin  
The Maui News  
The Garden Island  
Hawaii Today-Herald  
West Hawaii Today  
August 28 & September 4, 11, 18, 2008